

Cabinet

DOCUMENTS FOR THE MEMBERS ROOM

Tuesday, 26th November, 2024
at 4.30 pm

MEMBERS ROOM DOCUMENTS ATTACHED TO THE
LISTED REPORTS

Contacts

Cabinet Administrator

Judy Cordell

Tel: 023 8083 2766

Email: judy.cordell@southampton.gov.uk

MEMBERS ROOM DOCUMENTS

10 **ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMOS)** □ (Pages 1 - 18)

14 **FINANCIAL POSITION UPDATE** (Pages 19 - 58)

Monday, 18 November
2024

Director of Legal and Governance

1 "

2 "



Data Protection Impact Assessment

Project Details

Name of Project
Additional HMO licensing Scheme – 12 week public consultation on proposals
Brief Summary of Project
<p>Consultation on the proposal to designate an area of the city for Additional HMO licensing. All smaller HMO and HMOs within purpose built accommodation blocks would be subject to licensing. This will cover the following wards; Bevois, Bargate, Banister & Polygon, Portswood, Swaythling, Freemantle, Shirley, Bassett & Millbrook.</p> <p>A series of questions will be asked on opinions on the scheme. No personal data will be collected on the recipients.</p>
Estimated Completion Date
February 2025
Name of Project Lead
Steven Hayes-Arter

Details of Person Conducting DPIA

Name
Steven Hayes-Arter
Position
Service Manager Private Sector Housing & Port Health
Contact Email Address
Steven.hayes-arter@southampton.gov.uk

Step 1: Identifying the need for a DPIA

Does your project involve the processing of personal data by or on behalf of Southampton City Council?

“Personal Data” means information that relates to an individual, who can be identified (either by the information alone, or when combined with other information).

“Processing” means collecting, recording, organising, structuring, storing, adapting, altering, retrieving, consulting, using, disclosing, combining, restricting, erasing or destroying.

It should be integral to the project, and not just incidental to it.

Yes

No

If your project does **not** involve the processing of personal data by or on behalf of Southampton City Council, tick the declaration at the end of this section.

If your project **does** involve the processing of personal data by or on behalf of Southampton City Council, proceed to the next set of screening questions below.

Does your project involve any of the following? (Not all may apply, tick those that do)

- The collection of new information about individuals
- Compelling individuals to provide information about themselves
- The disclosure of information about individuals to organisations or people who have not previously had routine access to the information
- The use of existing information about individuals for a purpose it is not currently used for, or in a way it is not currently used
- Contacting individuals in ways which they may find intrusive
- Making changes to the way personal information is obtained, recorded, transmitted, deleted, or held

Are you planning to carry out any of the following? (Not all may apply, tick those that do)

- Evaluation or scoring
- Processing of sensitive data or data of a highly personal nature
- Processing on a large scale¹
- Processing of data concerning vulnerable data subjects
- Processing that involves preventing data subjects from exercising a right or using a service or contract

Do you plan to...? (Not all may apply, tick those that do)

- Use systematic and extensive profiling or automated decision-making to make significant decisions about people
- Process special-category data² or criminal-offence data on a large scale
- Systematically monitor a publicly accessible place on a large scale
- Use innovative technological or organisational solutions
- Use profiling, automated decision-making or special category data to help make decisions on someone's access to a service, opportunity or benefit
- Carry out profiling on a large scale
- Process biometric or genetic data
- Combine, compare or match data from multiple sources
- Process personal data without providing a privacy notice directly to the individual
- Process personal data in a way that involves tracking individuals' online or offline location or behaviour
- Process children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them
- Process personal data that could result in a risk of physical harm in the event of a security breach

¹ "Large scale" can mean the number of individuals involved, the volume of data, the variety of data, the duration of processing, or geographical area.

² Special category data is personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation.

If you have ticked any of these, please proceed to Step 2.

If **none** of these apply, please tick the below box, and return the form to the Information Lawyer (Data Protection Officer) at dataprotection@southampton.gov.uk

None of the screening statements in Step 1 of this document apply to the project, and I have determined that it is not necessary to conduct a Data Protection Impact Assessment

Step 2: Describe the processing

Details of the Personal Data

What type of personal data is being processed? Tick all that apply

- Education and training details
- Employment details
- Family, lifestyle and social circumstances
- Financial details
- Goods or services provided and related information
- Personal details issued as an identifier (e.g. NHS Number)
- Personal details, including any information that identifies the data subject and their personal characteristics

What is the nature of the data?

INFO: Detail the type of personal data being processed. List any fields that will be processed (e.g. name, address, data of birth, NHS number, video images)

What special category / sensitive data is being processed? Tick all that apply

- Physical or mental health
- Religious or philosophical beliefs
- Trade union membership
- Sexual orientation
- Criminal record
- Criminal proceedings
- Racial or ethnic origin
- Political opinions
- Biometric or Genetic data
- No special category / sensitive data

What is the nature of the special category / sensitive data? Please provide further information

Does the project involve the use of social care data?

Yes

No

Does the project utilise existing and established IT systems, or require the use / procurement of a new system?

Existing / established system

New system

The nature of the processing

Briefly describe the flow of personal data

INFO: Describe “the journey” of the data, from the point of collection from the data subject, through the various parties and departments involved.

How will the data be collected? E.g. via form, system transfer, face to face etc.

How will the data be used?

How will the data be stored?

How will the data be deleted? E.g. Manually, via automated process etc.

What is the source of the data? i.e. What is the flow of data into the Council?

Will you be sharing data with anyone?

INFO: If yes, please provide details

If so, how will the data be transferred?

If the data is being shared, will this be governed by an agreement? e.g. contract, data sharing agreement, data processing agreement

Describe the scope of the processing

How often will the data be collected and used?

How long will you keep the data, and how is this length of time justified?

Is the time period reflected in the Council's Retention Schedule?

<https://staffinfo.southampton.gov.uk/information-governance/records-management/retention.aspx>

INFO: Please specify the corresponding entry on the Council's Retention Schedule. If unsure, contact the Information Officer (Data Management): records.management@southampton.gov.uk

How many individuals are affected?

What geographical area does it cover?

Describe the context of the processing

What is the nature of your relationship with the individuals?

INFO: Detail who the data subjects will be (e.g. residents, carers, pupils, staff, professionals)

How much control will they have over their data? Will they be able to change it, access it, delete it etc.?

Would they reasonably expect the Council to use their data in this way?

INFO: Please provide details to support your answer

Do they include children or other vulnerable groups?

INFO: If yes, please provide details

Are you aware of any prior concerns over this type of processing or security flaws?

INFO: If yes, please provide details

Is the processing novel in any way? E.g. do other local authorities have a similar process in place?

INFO: If yes, please provide details

Are there any current issues of public concern that should be considered?

INFO: If yes, please provide details

Describe the purposes of the processing

What do you want to achieve?

What is the intended effect on individuals?

What are the benefits of the processing – for the Council, and more broadly?

INFO: Please confirm which of the Council's key goals this will support, and how

Goal:

- Strong foundations for life
- A proud and resilient city
- A prosperous city
- A successful, sustainable organisation

Please explain how the goal is met

Step 3: Consultation

Consider how to consult with relevant stakeholders

Do you think it's necessary to consult with the public about the processing?
If not, why?

INFO: Please provide details to support your answer

Who else do you need to involve, or have you already involved within the Council?

INFO: e.g. IT services, records management

Do you plan to consult IT, external information security experts, or any other experts? If not, why?

INFO: Please provide details to support your answer

DPIA continues on next page.

Step 4: Assess necessity and proportionality

Describe compliance and proportionality measures

What do you consider your lawful basis for processing to be? Please choose one of the following...

INFO: There should generally only be one legal basis for processing.

- The data subject has given consent
- The processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract
- The processing is necessary for compliance with a legal obligation to which the Council is subject
- The processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the Council
- The processing is necessary for the purposes of the legitimate interests pursued by the Council or by a third party

Please provide further information to support this

INFO: For example, if the processing is necessary in order for the Council to perform a statutory function, detail the relevant legislation.

Why is the processing deemed necessary?

INFO: e.g. Is the Council under an obligation to provide a service, or is there a particular problem that the project is trying to address?

Does the processing actually achieve your purpose?

INFO: Please provide details to support your answer

Is there another way to achieve the same outcome?

INFO: Please details to support your answer

How will you prevent function creep?

INFO: Function creep is where data collected for one purpose is used for another purpose over time.

How will you ensure data quality and data minimisation?

INFO: We should only use the minimum amount of personal data possible to achieve the purpose of the processing.

What information will you give individuals about the processing?

Aside from existing corporate processes, will there be any additional measures in place to support individuals exercising their privacy rights?

INFO: Data subject's rights include the right to access, rectify, erase, port, and restrict their data.

Additional measures could include self-service options to enable individuals to change / update their personal data, or download copies of their data

If a third party is carrying out the processing on our behalf, what measures will be in place to ensure they comply with the UK GDPR, and assist the Council in supporting individuals in exercising their rights?

INFO: E.g. will there be a contract in place with the third party that contains data protection obligations?

How do you safeguard any international transfers of personal data?

INFO: If there are no international transfers involved, please state this

Step 5: Send DPIA Form to the Data Protection Officer

After completing this part of the form, please send the document to the Information Lawyer (Data Protection Officer) at dataprotection@southampton.gov.uk
The DPO will review the information provided, and identify and assess the privacy risks.

Step 6: Identify and assess risks (DPO to complete)

Describe source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.	Likelihood of harm	Severity of harm	Overall risk
1.	Remote Possible Probable	Minimal Significant Severe	Low Medium High
2.	Remote Possible Probable	Minimal Significant Severe	Low Medium High
3.	Remote Possible Probable	Minimal Significant Severe	Low Medium High
4.	Remote Possible Probable	Minimal Significant Severe	Low Medium High
5.	Remote Possible Probable	Minimal Significant Severe	Low Medium High
6.	Remote Possible Probable	Minimal Significant Severe	Low Medium High

Step 7: Identify legal basis and measures to reduce risk (DPO to complete)

Condition(s) for Processing
Personal Data
<input type="checkbox"/> The data subject has given consent <input type="checkbox"/> The processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract <input type="checkbox"/> The processing is necessary for compliance with a legal obligation to which the Council is subject <input type="checkbox"/> The processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the Council <input type="checkbox"/> The processing is necessary for the purposes of the legitimate interests pursued by the Council or by a third party
Further Information
Special Categories of Personal Data
<input type="checkbox"/> The data subject has given explicit consent <input type="checkbox"/> The processing is necessary for the purposes of carrying out the obligations and exercising specific rights of the controller or of the data subject in the field of employment and social security and social protection law <input type="checkbox"/> The processing is necessary for reasons of substantial public interest <input type="checkbox"/> The processing is necessary for the purposes of preventive or occupational medicine, for the assessment of the working capacity of the employee, medical diagnosis, the provision of health or social care or treatment or the management of health or social care systems <input type="checkbox"/> The processing is necessary for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes <input type="checkbox"/> No special category data being processed
Further Information
Data Protection Act 2018 Schedule 1 Condition

Further Information

Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk in step 5			
Risk	Options to reduce or eliminate risk	Effect on risk	Residual risk
1.		Eliminated Reduced Accepted	Low Medium High
2.		Eliminated Reduced Accepted	Low Medium High
3.		Eliminated Reduced Accepted	Low Medium High
4.		Eliminated Reduced Accepted	Low Medium High
5.		Eliminated Reduced Accepted	Low Medium High
6.		Eliminated Reduced Accepted	Low Medium High

Comments from the Data Protection Officer

Comments from the Information Officer (Data Management)

Comments from the Head of IT

Step 8: Sign off

Item	Date	Notes
DPO reviewed DPIA and provided advice on:		DPO should advise on compliance, step 7 measures and whether processing can proceed
Information Officer (Data Management) reviewed DPIA on:		SRO should advise on records management matters
Head of IT reviewed DPIA on:		Head of IT should advise on IT security matters
Measures approved by Project Lead on:		Integrate actions back into project plan, with date and responsibility for completion
Comments from Project Lead:		
Residual risks approved by Information Asset Owner / Administrator on:		The relevant IAO or IAA is required to accept any residual risks associated with the processing.
Comments from IAO / IAA:		
Project approved by Caldicott Guardian (CG) on:		The relevant Caldicott Guardian is required to approve any project involving the processing of social care data.
Comments from CG:		
Residual high risks approved by the Senior Information Risk Owner (SIRO) on:		If accepting any residual high risk, consult the ICO before going ahead
Comments from SIRO:		

Step 9: Review

Item	Date	Comments
DPO reviewed DPIA on:		
Date of next review:		

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Agenda Item 14

GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR 2024/25 AS AT SEPTEMBER 2024 (MONTH 6)

Directorate	Working Budget Month 6 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Children & Learning	61.33	59.10	(2.21) F	(1.12) F
Community Wellbeing	95.11	93.51	(1.60) F	2.46 A
Enabling Services	26.13	25.59	(0.54) F	(0.35) F
Growth & Prosperity	37.67	36.16	(1.51) F	(1.43) F
Resident Services	26.32	26.30	(0.02) F	(0.21) F
Strategy & Performance	4.94	4.79	(0.16) F	0.00
Total Directorates	251.48	245.43	(6.05) F	(0.64) F
Levies & Contributions	0.10	0.10	0.00	0.00
Capital Asset Management	12.86	11.92	(0.94) F	0.00
Contribution to General Fund Balance	1.93	1.93	0.00	0.00
Other Expenditure & Income	12.22	6.09	(6.13) F	(3.75) F
Net Council Expenditure before EFS	278.60	265.47	(13.13) F	(4.39) F
Council Tax	(120.44)	(120.44)	0.00	0.00
Business Rates	(54.45)	(54.45)	0.00	0.00
Non-Specific Government Grants	(64.43)	(64.48)	(0.05) F	0.00
Total Centrally Held Funding	(239.32)	(239.37)	(0.05) F	0.00
Net Over/(Underspend) before EFS	39.28	26.10	(13.18) F	(4.39) F
Exceptional Financial Support (EFS)	(39.28)	(26.10)		
Net Over/(Underspend)	0.00	0.00		

Numbers are rounded. 'F' indicates as favourable variance, 'A' is an adverse variance

The variance movement from month 5 for Community Wellbeing is after transferring £3.75M of sustained favourable variances to contingency in month 6 (subject to full Council approval). The movement excluding this budget transfer is £1.29M favourable.

EXPLANATIONS BY DIRECTORATE

1. CHILDREN & LEARNING DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£2.21M**, which represents a percentage variance against budget of **3.61%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(2.21) F	3.61%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Care Leavers	1.07	0.91	(0.16) F	(0.05) F
Children & Families First	3.68	3.73	0.05 A	0.00
Children Looked After	33.07	31.41	(1.66) F	(0.86) F
Divisional Management	2.18	2.03	(0.15) F	(0.15) F
Legal (Children's)	0.54	0.39	(0.15) F	(0.05) F
Quality Assurance Business Unit	2.65	2.61	(0.04) F	0.00
Safeguarding	6.40	6.34	(0.06) F	0.00
Education & Learning	0.82	0.82	0.00	(0.01) F
Education - High Needs	1.04	0.99	(0.05) F	0.00
Other	9.85	9.85	0.00	0.00
Total	61.31	59.10	(2.21) F	(1.12) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 6 £M	Explanation
Children Looked After	(1.66) F	<p>Children Looked After - as at Month 6 there is a £1.66M favourable variance due to:</p> <ul style="list-style-type: none"> • Children in Care Teams 1 & 2 - £0.36M - staff savings related • Residential Placements (i) - £0.14M - client care package related • Residential Placements (ii) - £0.40M - release of part of in year budget pressure which was put in place to cover the risk of the two new children's homes being staffed, without full occupancy, in effect paying for care twice whilst the homes are filled. Release of pressure due to opening being delayed to later in the financial year for one, whilst the other is due to open in 2025/26. • Independent Foster Carers - £0.08M - client care package related • Special Guardianship Order (SGO) and Adopter Allowances - £0.11M - client allowances related • SCC Foster Carers - £0.02M - client care package related • Unaccompanied Asylum Seeking Children (including over 18s) - £0.22M - client care package related • Adoption & Foster Care Teams - £0.19M - staffing savings related • Children in Care from Other Areas - £0.13M - client care package related • Placements Team - £0.01M - staffing savings related <p>The forecasts are based on current client projections and expected funding from the Integrated Care Board (ICB) and Education for appropriate clients. This also takes into account the potential for an element of new cases over the coming months once additional data is captured, plus a provision for a transfer of clients into the new residential home later in the financial year where external and internal costs cover the</p>

		<p>same period of time as part of the migration. There is also an element in the forecast which relates to areas where the budgets and forecasts have captured the risk of non-achievement of savings based on the 2023/24 outturn spend.</p> <p>A £1.06M budget reduction was made in month 5, with a sustainable saving being transferred to centrally held contingency as part of the overall budget management process.</p> <p>There has been a £0.86M favourable movement since month 5 due to £0.40M release of part of an in year budget pressure to cover the risk of the children's homes (see above for further narrative), £0.35M due to grant funding being used to offset existing forecast spend, and a £0.11M favourable movement relating to care packages.</p>
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2. COMMUNITY WELLBEING DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£1.60M**, which represents a percentage variance against budget of **1.7%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(1.60) F	1.7%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
ICU – Provider Relationships	15.88	15.65	(0.23) F	0.00
ICU – System Redesign	2.25	1.99	(0.27) F	(0.20) F
ASC – Living & Ageing Well – Cost of Care	21.39	21.04	(0.35) F	0.65 A
ASC – Quality, Assurance & Professional Development	(7.73)	(8.13)	(0.40) F	2.01 A
Grants to Voluntary Organisations	0.53	0.45	(0.08) F	0.00
ASC – Whole Life Pathways – Directly Delivered Services	2.40	2.52	0.13 A	0.00
ASC – Whole Life Pathways – Learning Disabilities Cost of Care	26.29	25.89	(0.40) F	(0.30) F
ASC – Whole Life Pathways – Other Cost of Care	7.36	7.37	0.00	0.30 A
Other Services	26.74	26.74	0.00	0.00
Total	95.11	93.51	(1.60) F	2.46 A

The variance movement from month 5 is after transferring £3.75M of sustained favourable variances to contingency in month 6 (subject to full Council approval). The movement excluding this budget transfer is £1.29M favourable.

The significant variances for the directorate are:

Service Area	Forecast Variance Month 6 £M	Explanation
ICU – Provider Relationships	(0.23) F	<p>ICU – Provider Relationships - as at Month 6 there is a £0.23M favourable variance arising from:</p> <ul style="list-style-type: none"> Improved income assumptions for increased bed occupancy and recovery of Funded Nursing Care (FNC). Some contract costs being funded by grant funding.
ICU – System Redesign	(0.27) F	<p>ICU – System Redesign - as at Month 6 there is a £0.27M favourable variance due to:</p> <ul style="list-style-type: none"> The estimated costs of the redesigned respite service being lower than anticipated and some slippage in the delivery of the scheme.
ASC – Living & Ageing Well – Cost of Care	(0.35) F	<p>ASC – Living & Ageing Well – Cost of Care - as at Month 6 there is a £0.35M favourable variance arising from:</p> <ul style="list-style-type: none"> Lower activity levels and inflationary pressures than were anticipated in the budget. <p>The forecasts are based on current client projections and the corresponding assumptions for contributions to care costs from clients and health. The forecast also reflects assumptions about further demand over the remainder of the financial year, including the impact of winter on activity levels.</p>
ASC – Quality, Assurance & Professional Development	(0.40) F	<p>ASC – Quality, Assurance & Professional Development - as at Month 6 there is a £0.40M favourable variance arising from:</p> <ul style="list-style-type: none"> The phase 2a restructure in ASC.
ASC – Whole Life Pathways – Directly Delivered Services	0.13 A	<p>ASC – Whole Life Pathways – Directly Delivered Services - as at Month 6 there is a £0.13M adverse variance due to:</p> <ul style="list-style-type: none"> Use of overtime and agency to support additional 1:1 support and cover staff sickness.

<p>ASC – Whole Life Pathways – Learning Disabilities Cost of Care</p>	<p>(0.40) F</p>	<p>ASC – Whole Life Pathways – LD Cost of Care - as at Month 6 there is a £0.40M favourable variance due to:</p> <ul style="list-style-type: none"> • Transformation work undertaken by the team to manage demand and reduce care costs. This would include, stepping down care packages where appropriate, reviewing levels of 1:1 support, exploring all opportunities to identify the most cost effective care to meet the person’s needs whilst maximising their independence and building on their strengths.
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3. ENABLING SERVICES DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£0.54M**, which represents a percentage variance against budget of **2.1%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.54) F	2.1 %

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Accounts Payable	0.70	0.78	0.08 A	0.04 A
Corporate Finance	2.28	2.33	0.06 A	0.04 A
Democratic Representation & Management	2.30	2.26	(0.05) F	(0.05) F
Digital Services	11.30	10.97	(0.33) F	(0.25) F
HR Services	3.33	3.23	(0.10) F	(0.10) F
Local Taxation & Benefits Services	2.84	2.70	(0.14) F	(0.07) F
Supplier Management Services	1.44	1.33	(0.11) F	0.00
Other	1.95	1.99	0.04 A	0.04 A
Total	26.13	25.59	(0.54) F	(0.35) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 6 £M	Explanation
Digital Services	(0.33) F	The favourable variance of £0.33M relates to:

		<ul style="list-style-type: none">- £0.11M of forecast salary underspends due to vacancies- £0.14M underspend from the stopping of 3 software licences which can be linked to transformation- £0.05M of surplus expenses budgets- £0.03M of budget surplus for the revenue maintenance of Care Director <p>The favourable movement of £0.25M since month 5 relates to the underspends from licences and expenses budgets plus further salary underspends of £0.06M.</p>
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4. GROWTH & PROSPERITY DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£1.51M**, which represents a percentage variance against budget of **4.01%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(1.51) F	4.01%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Corporate Estate & Assets	5.15	5.11	(0.04) F	0.01 A
Culture & Tourism	3.66	3.63	(0.03) F	(0.01) F
Economic Development & Regeneration	1.35	1.30	(0.05) F	0.00
Transport & Planning	27.28	25.89	(1.39) F	(1.43) F
Directorate Management	0.22	0.22	0	0
Total	37.67	36.16	(1.51) F	(1.43) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 6 £M	Explanation
Transport & Planning	(1.39) F	The favourable variance in Transport and Planning is predominantly due to the increase in traffic management income of £0.26M and the capitalisation of highway costs of £0.45M from revenue to capital. There also has been a £0.73M increase in transformation savings from the School Travel Service, delivered through route

		optimisation improvements and an introduction of a dynamic purchasing system.
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5. RESIDENT SERVICES DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£0.02M**, which represents a percentage variance against budget of **0.1%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.02) F	0.1%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
City Services – District Operating Areas	5.27	5.27	0.00	(0.37) F
Bereavement Services	0.59	0.59	0.00	(0.44) F
Landscapes Trading Area	0.09	0.22	0.14 A	(0.07) F
Environmental Services	1.64	1.48	(0.16) F	0.00
City Services - Waste Operations	16.23	16.19	(0.05) F	0.01 A
Parking & Itchen Bridge	(10.43)	(10.43)	0.00	0.47 A
Other Environment	0.91	1.01	0.10 A	0.21 A
Customer & Leisure	6.72	6.67	(0.05) F	(0.02) F
Housing (General Fund)	5.30	5.30	0.00	0.00
Total	26.32	26.30	(0.02) F	(0.21) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 6 £M	Explanation
City Services – District Operating Areas	0.00	Favourable movement of £0.37M at month 6 due to the implementation of the Resident Services deficit recovery plan which utilised favourable variances on Parking & Itchen Bridge and Port Health income based on forecast performance, along with removal of vacant posts in District Operations Teams.
Bereavement Services	0.00	Favourable movement of £0.44M at month 6 due to the implementation of the Resident Services deficit recovery plan which utilised favourable variances on Parking & Itchen Bridge and Port Health income based on forecast performance, along with removal of vacant posts in District Operations Teams.
Parking & Itchen Bridge	0.00	Adverse movement of £0.47M at month 6 due to the implementation of the Resident Services deficit recovery plan which utilised favourable variances on Parking & Itchen Bridge and Port Health income based on forecast performance, along with removal of vacant posts in District Operations Teams.
Other Environment	0.10 A	Adverse movement of £0.21M due to the implementation of the Resident Services deficit recovery plan which utilised favourable variances on Parking & Itchen Bridge and Port Health income based on forecast performance, along with removal of vacant posts in District Operations Teams.

6. STRATEGY & PERFORMANCE DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

The directorate is currently forecast to have an underspend of **£0.16M**, which represents a percentage variance against budget of **3.2%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.16) F	3.2 %

A summary of the directorate forecast variance is shown in the table below:

Service Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Corporate Communications	0.99	0.92	(0.07) F	0.00
Data & Intelligence	1.18	1.12	(0.06) F	0.00
Projects, Policy & Performance	1.42	1.42	0.00	0.00
Strategic Management of the Council	1.34	1.32	(0.03) F	0.00
Total	4.94	4.79	(0.16) F	0.00

The are no significant variances for the directorate.

7. CENTRALLY HELD BUDGETS

COMMENTARY – 2024/25 FORECAST AS AT SEPTEMBER 2024

Centrally held budgets are currently forecast to have an underspend of **£7.07M**, which represents a percentage variance against budget of **26.1%**.

	Forecast Variance £M	% of budget
Centrally Held Budgets Forecast Outturn	(7.07) F	26.1%

A summary of the forecast variance is shown in the table below:

Budget Area	Budget £M	Forecast Outturn £M	Forecast Variance Month 6 £M	Variance Movement from Month 5 £M
Levies & Contributions	0.10	0.10	0.00	0.00
Capital Asset Management	12.86	11.92	(0.94) F	0.00
Contribution to General Fund Balance	1.93	1.93	0.00	0.00
Other Expenditure & Income	12.22	6.09	(6.13) F	(3.75) F
Total	27.11	20.04	(7.07) F	(3.75) F

The significant variances are:

Budget Area	Forecast Variance Month 6 £M	Explanation
Capital Asset Management	(0.94) F	The favourable variance is due to no long-term borrowing being taken or externalisation of debt to date (£0.68M) and higher than expected investment balances (£0.26M).
Other Expenditure & Income	(6.13) F	£6.13M of sustainable savings have been transferred from directorates to contingency, of which £3.75M was transferred in month 6 (approved by Cabinet and pending ratification by full Council).

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MONITORING OF PREVIOUSLY AGREED SAVINGS IN 2024-25

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Children & Learning	22S2	Children's Social Care - agency reductions	(486)	(486)			
Children & Learning	22S3	Children's Social Care - potential staff reductions	(545)	(545)			
Children & Learning	23S165	Creation of framework agreement for temporary accommodation to support no recourse to public funds/homeless families	(5)	(5)			
Children & Learning	23S169	Review of Emergency Duty arrangements across Children's and Adults services	(100)	(100)			
Children & Learning	24S207	Virtual school, do not recruit to vacant post	(44)	(44)			
Children & Learning	24S209	Virtual School - Utilise additional funding	(15)	(15)			
Children & Learning	24S210	Music Service income increase.	(15)	(15)			
Children & Learning	24S211	Not use surplus from Holiday Activities Fund.	(7)	(7)			
Children & Learning	24S212	Maximise impact of Family Hubs grant.	(419)	(419)			
Children & Learning	24S213	Maximise Supporting Families payment by results claim.	(81)			(81)	
Children & Learning	24S214	Non recruitment of vacant posts within SEND	(89)	(89)			
Children & Learning	24S249	Early saving from moving to Family Safeguarding Model	(144)			(144)	
Children & Learning	24S288	Fostering and Adoption Service redesign.	(107)	(107)			
Children & Learning	24S289	BRS Service redesign.	(200)	(200)			
Children & Learning	24S292	Language Service redesign.	(19)	(19)			
Children & Learning	24S293	Reduce music service management costs	(23)	(23)			
Children & Learning	24S294	Holiday Activities and Food efficiencies	(8)	(8)			
Children & Learning	24S354	Reduce No Recourse to Public Funds spend	(62)			(62)	
Children & Learning	24S355	Cease outsourced contacts	(47)			(47)	
Children & Learning	24S356	Reduction in translation costs	(96)			(96)	
Children & Learning	24S358	Reduce Preventative spend back to budget	(225)			(225)	
Children & Learning	24S361	Rigorously monitor claims to Home Office to support increased number of UASC.	(211)	(211)			
Children & Learning	24S363	Bring ADM (Agency Decision Maker) role in house	(7)	(7)			
Children & Learning	24S364	Reduce accommodation costs for care leavers	(180)			(180)	
Children & Learning	24S365	Children & Learning - average 31 agency staff for the whole of 23/24	(2,628)	(2,628)			
Children & Learning	24S366	Cease Tripod costs (re: overseas recruitment)	(390)	(390)			
Children & Learning	24S367	Cease Consultancy costs	(176)	(176)			
Children & Learning	24S390	Increasing offset with Family Hubs grant	(27)	(27)			
Children & Learning	24S463	Education Property budget no longer needed re academisation	(120)	(120)			
Children & Learning	24S470A	VR saving excl savings already captured - Childrens and Learning	(349)	(349)			
Children & Learning	24S491	Music Service income increase.	(34)	(34)			
Children & Learning	24S860	Children & Learning - average 31 agency staff for the whole of 23/24	807	807			
Children & Learning Sub-total			(6,052)	(5,217)	0	(835)	0

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Community Wellbeing	23S92	Use the results of the Association of Directors of Adult Social Services peer review to reduce costs for Adult Social Care continuing healthcare/S117 aftercare	(50)	(50)			
Community Wellbeing	23S95	Adult Social Care - shift to home first policy, avoiding need for residential placement	(339)		(339)		
Community Wellbeing	24S235	Following consultation on the closure of Holcroft House residential home and reprovion for occupants elsewhere	(1,300)	(1,300)			
Community Wellbeing	24S259	Savings arising from negotiations on inflationary uplift applied to care provision costs	(1,380)		(1,380)		
Community Wellbeing	24S407	Wellbeing & Housing agency review	(200)	(200)			
Community Wellbeing	24S415	Additional Government funding to meet Adult Social Care cost pressures (Market Sustainability Grant)	(947)	(947)			
Community Wellbeing	24S449	ASC charging policy changes	(200)	(200)			
Community Wellbeing	24S470B	VR saving excl savings already captured - Wellbeing & Housing	(57)	(57)			
Community Wellbeing	24S510	Stronger Communities full deletion of existing vacant posts	(120)	(120)			
Community Wellbeing	24S513	SCC Mental Health Team not using NHS Southern Health accommodation	(93)	(93)			
Community Wellbeing	24S636	ASC ring fenced grant allocations higher than expected	(11)	(11)			
Community Wellbeing	24S642	Meals on Wheels	(48)	(48)			
Community Wellbeing	24S647	Mental Health Employment Service	(138)	(138)			
Community Wellbeing	24S651	Reduction in Uplift Budget	(1,000)	(1,000)			
Community Wellbeing Sub-total			(5,883)	(4,164)	(1,719)	0	0

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Enabling Services	23S195	Review fees & charges across the Council (remaining saving)	(21)	(21)			
Enabling Services	24S124	Budget for Added Years pension payments adjustment to reflect forecast actual payments to Hampshire LGPS scheme	(212)	(212)			
Enabling Services	24S125	Amend staff time charging	(12)	(12)			
Enabling Services	24S135	Legal Service removal of 1 Apprentice Legal Services Officer post	(15)	(15)			
Enabling Services	24S136	Legal Service removal of 1 Childcare Solicitor post	(65)	(65)			
Enabling Services	24S137	Legal Service S106 income increase	(15)		(15)		
Enabling Services	24S140	Recharge work on capital projects by Supplier Management to the capital programme	(46)	(46)			
Enabling Services	24S154	HR & OD - Organisational Design Officer Grade 8 0.4 FTE vacancy removed	(19)	(19)			
Enabling Services	24S155	HR & OD - Payroll and Pensions Admin Assistant Grade 6 1 FTE vacancy removed	(35)	(35)			
Enabling Services	24S157	HR & OD - Further reduce Organisational Design budget for management development	(6)	(6)			
Enabling Services	24S225	IT savings to meet pressures through ending or consolidating systems	(350)	(350)			
Enabling Services	24S275	Remove the contribution to the Self Insurance Fund for 1 year	(700)	(700)			
Enabling Services	24S276	Finance staff restructure, part of the corporate voluntary redundancy scheme	(200)	(200)			
Enabling Services	24S278	Cancel the Money Insurance Policy (Insurance cover for cash theft)	(4)	(4)			
Enabling Services	24S327	Reduction in Mobile Phone costs	(200)	(200)			
Enabling Services	24S329	Reduction of IT Services staff from voluntary redundancy exercise	(250)	(250)			
Enabling Services	24S470C	VR saving excl savings already captured - Corporate Services	(432)	(432)			
Enabling Services	24S575	Supplier Management Redesign	(309)	(309)			
Enabling Services	24S681	Compliance (non transformational)	(196)	(196)			
Enabling Services	24S683	I&E - service redesign from debt management programme	(69)	(69)			
Enabling Services	24S688	Finance Improvement	(72)		(72)		
Enabling Services	24S708	Reduce OD training budget	(40)	(40)			
Enabling Services	24S709	Stop internships	(25)	(25)			
Enabling Services	24S710	EAP replaced with Vivup free option	(12)	(12)			
Enabling Services	24S780	Supplier Management Redesign	155	155			
Enabling Services sub-total			(3,150)	(3,063)	(87)	0	0

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Growth & Prosperity	24S138	Removal of remaining Find and Fix gang	(300)	(300)			
Growth & Prosperity	24S143	Extend street lighting switch off from current hours to 00:30 – 05:30 in line with consultation	(187)	(187)			
Growth & Prosperity	24S186	Bus Shelter Advertising Income from profit share	(60)	(60)			
Growth & Prosperity	24S187	Reduce Arts Complex budget	(38)	(38)			
Growth & Prosperity	24S189	Align Dial A Ride Service budget to current provision	(25)	(25)			
Growth & Prosperity	24S192	Moving Traffic Enforcement - Income	(75)	(75)			
Growth & Prosperity	24S285	Vacancy saving in Estates Regeneration	(72)	(72)			
Growth & Prosperity	24S286	Service Redesign - Construction project delivery	(260)	(260)			
Growth & Prosperity	24S287	Service Redesign - Design Team	(266)	(266)			
Growth & Prosperity	24S301	Building Control - Competition Account Review	(180)	(180)			
Growth & Prosperity	24S302	Reduce Skills team budget	(60)	(60)			
Growth & Prosperity	24S303	Vacancy saving in Libraries (non-frontline)	(5)	(5)			
Growth & Prosperity	24S305	Increase income by Archaeology Unit	(134)		(134)		
Growth & Prosperity	24S306	Reduce Events (subscriptions) Budget	(14)	(14)			
Growth & Prosperity	24S308	Redesign Strategic Projects Budget	(50)	(50)			
Growth & Prosperity	24S310	Increase income generation in museums and gallery	(72)	(72)			
Growth & Prosperity	24S312	Integrated Transport - FTE reduction and maximise recharge for work on capital projects	(88)	(88)			
Growth & Prosperity	24S313	Integrated Transport -Reduced Studies Budget	(43)	(43)			
Growth & Prosperity	24S314	School Crossing Patrol Service Reduction – replacement of vacant School Crossing Patrol sites with permanent pedestrian crossing infrastructure	(19)	(19)			
Growth & Prosperity	24S316	Flood Risk Management - Service Reduction	(60)	(60)			
Growth & Prosperity	24S317	Bus Stop Maintenance Budget - fund from capital not revenue	(15)	(15)			
Growth & Prosperity	24S349	Reduction in energy costs due to movements in the energy market	(250)	(250)			
Growth & Prosperity	24S389	Concessionary Fares saving	(800)	(800)			
Growth & Prosperity	24S462	Sale of Library Bus	(10)				(10)
Growth & Prosperity	24S470D1	VR saving excl savings already captured - Place	(61)	(61)			
Growth & Prosperity	24S635	Venues Income - based on price increase agreed at CMB	(19)	(19)			
Growth & Prosperity	24S7	Reduction in museums rateable value	(225)	(225)			
Growth & Prosperity	24S703	Highways - Asset data collection	(20)	(20)			
Growth & Prosperity	24S704	St Lighting - LED	(33)	(33)			
Growth & Prosperity	24S842	S106 Monitoring Charges	(4)	(4)			
Growth & Prosperity	24S853	Facilities Management remove vacant cleaner post (amend item 150)	(20)	(20)			
Growth & Prosperity	24S855	Business Rates savings from the disposal of vacant council buildings -reversal of amber status (24S283) - now green	(57)	(57)			
Growth & Prosperity sub-total			(3,521)	(3,378)	(134)	0	(10)

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Resident Services	23S105	Review proposals to increase allotment income	(13)	(13)			
Resident Services	23S108	Auction off 3 diesel sweepers, increase the electric vehicle capacity and introduce a new shift pattern for the street cleansing team	(75)				(75)
Resident Services	23S130	Itchen Bridge fees for non-residents - increase of 20p and 10p (peak and off peak) from April 2023, subject to Traffic Regulation Order consultation and response	(40)	(40)			
Resident Services	23S132	Remove concessions for Itchen Bridge charges for electric vehicles, subject to Traffic Regulation Order consultation and response	(4)	(4)			
Resident Services	23S143	Review/simplification of parking tariffs	(63)	(63)			
Resident Services	23S99	Install additional solar compactor bins across the city and reduce open litter bins to enable more efficient collection, reduce scavenging by animals and rodents and prevent wind blown litter	(30)				(30)
Resident Services	24S159	Off Street Parking - Increased income position based on prior year outturn	(250)	(250)			
Resident Services	24S181	Rebased waste income budgets for recycling (Dry Mixed Recyclables & Glass)	(200)	(200)			
Resident Services	24S260	Vacancy saving in Bereavement Services	(16)	(16)			
Resident Services	24S262	Increase income generation for Bereavement Services through increased supply chain engagement	(22)				(22)
Resident Services	24S265	Increase Registration Services fees	(15)	(15)			
Resident Services	24S266	Increase income through new Registration Services venue	(10)	(10)			
Resident Services	24S268	Remove funding requirement for Condition of Private Sector Housing Survey	(250)	(250)			
Resident Services	24S271	Increase of charges to simplify and uplift tariffs - City Centre Car parks	(683)	(683)			
Resident Services	24S273	On Street Tariff review	(200)	(200)			
Resident Services	24S274	On street residents parking permit charges inflationary increase	(40)	(40)			
Resident Services	24S279	On street parking enforcement - additional 4 enforcement officers	(40)		(40)		
Resident Services	24S400	Cease support to Mayfield Bowling Green (1FTE G6)	(32)				(32)
Resident Services	24S409	Barrier control at Mayflower Park	(35)				(35)
Resident Services	24S410	Off Street Parking - Increased income position based on Quarter 1 position	(100)	(100)			
Resident Services	24S411	Allotment income	(30)	(30)			
Resident Services	24S414	Remove Waste Transformation budget	(129)	(129)			
Resident Services	24S470C	VR saving excl savings already captured - Corporate Services	(67)	(67)			
Resident Services	24S470D2	VR saving excl savings already captured - Place	(39)	(39)			
Resident Services	24S470D3	VR saving excl savings already captured - Place	(120)	(120)			
Resident Services	24S471	Reduce Waste Disposal & Development team capacity through vacancy deletion/ scope reduction	(35)	(35)			
Resident Services	24S476	Rebase Golf Course budget	(100)	(100)			
Resident Services	24S477	Further rebase of waste budgets	(200)	(200)			
Resident Services	24S490	Rebased waste income budgets for recycling (Dry Mixed Recyclables & Glass)	(80)	(80)			
Resident Services	24S550	To simplify the Itchen Bridge tariff by replacing the current fees with a flat fee of £1 / 40p (smartcards)	(300)	(300)			

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Resident Services	24S551	Street Cleansing - review	(150)	(150)			
Resident Services	24S633	Electricity generation in Waste contract	(200)	(200)			
Resident Services	24S75	Golf Course - increased income from change in VAT treatment	(120)	(120)			
Resident Services	24S789	Street Cleansing - review - reversal of item 551 for 2024/25 only	150	150			
Resident Services	24S864	Waste fees & charges 2024/25 increases	(314)	(314)			
Resident Services sub-total			(3,852)	(3,617)	(40)	0	(194)

Directorate	Ref No.	Description	2024/25 Saving £000	24/25 Saving Full Saving delivered £000	24/25 Saving Full Saving expected to be achieved £000	24/25 Saving There is a low risk that the saving will not be achieved £000	24/25 Saving There is a high risk that the saving will not be achieved £000
Strategy & Performance	23S8	Senior management restructure	(100)	(100)			
Strategy & Performance	24S258	Reduction to Leader's budget	(53)	(53)			
Strategy & Performance	24S344	Data team cost savings	(46)	(46)			
Strategy & Performance	24S345	Merge management of PMO and Policy team	(13)	(13)			
Strategy & Performance	24S545	Communications Team Restructure	(120)	(120)			
Strategy & Performance	24S657	Communications Team further restructure & advertising savings	(40)	(40)			
Strategy & Performance sub-total			(372)	(372)	0	0	0
Centrally Held Budget	23S140	Use on street parking surpluses to fund highways capital projects to reduce borrowing costs	(90)	(90)			
Centrally Held Budget	24S128	Unallocated receipts over 2 years old, credited as a saving (budget held centrally)	(10)		(10)		
Centrally Held Budget	24S132	Slippage factor (C £2M) for capital programme - reduction in capital financing costs (budget held centrally)	(80)	(80)			
Centrally Held Budget	24S277	Business Rates return to government amended to ensure maximisation of funding (budget held centrally)	(445)	(445)			
Centrally Held Budget	24S406	Reduction/Rephasing of capital programme	(351)	(351)			
Centrally Held Budget	24S517	Additional Council Tax premium for properties empty more than 12 months - legislation dependent	(357)		(357)		
Centrally Held Budget	24S699	Highways - reduction in borrowing costs for capital	(480)	(480)			
Centrally Held Budget sub-total			(1,813)	(1,446)	(367)	0	0
Total Savings			(24,642)	(21,256)	(2,347)	(835)	(204)

24/25 Saving
The saving will not be
achieved
£000

0

24/25 Saving The saving will not be achieved £000
0

24/25 Saving The saving will not be achieved £000
0
0
0

KEY FINANCIAL RISKS

The following table identifies the key financial risks to the council's financial position over the short to medium term together with a summary of the mitigating actions in place and planned. These financial risks are reflected in the assessment of the adequacy of estimates and reserves. The assessment of risk is based on the following risk scoring criteria:

LIKELIHOOD (Probability)					
A - Almost certain	> 95%	↑	Is expected to occur in most circumstances		
B - Likely			Will probably occur in most circumstances		
C - Possible	50%		Might occur at some time		
D - Unlikely		↓	Could occur at some time		
E - Very Unlikely	< 5%		May only occur in exceptional circumstances		

IMPACT	5 - Minor	4 - Moderate	3 - Significant	2- Major	1- Extreme
Service delivery / key priorities	No noticeable effect	Some temporary disruption to a single service area/ delay in delivery of one of the council's objectives	Regular disruption to one or more services/ a number of corporate objectives would be delayed or not delivered	Severe service disruption on a directorate level / many corporate priorities delayed or not delivered	Unable to deliver most priorities / statutory duties not delivered
Financial Impact	Loss or loss of income < £10k	Loss or loss of income £10k - £499k	Loss or loss of income £500k - £4.99m	Loss or loss of income £5m < £9.99m	Loss or loss of income >£10m
Reputation	Internal review	Internal scrutiny required to prevent escalation	Local media interest. Scrutiny by external committee or body	Intense public, and media scrutiny	Public Inquiry or adverse national media attention

- **Robustness of estimates**

Key Financial Risk	INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
	Likelihood	Impact		Likelihood	Impact
FE1. Interest rates are underestimated.	Likely	Major	<ul style="list-style-type: none"> • Prudent estimates are made around future rates when costing the financing of the capital programme. • Market intelligence provided by Treasury Management advisors. • Treasury Management Strategy is aligned with CIPFA Code and MHCLG Guidance re investing funds prudently and having regard to the security and liquidity of its investments before seeking the highest rate of return. 	Possible	Significant
FE2. Existing fees and charges: Projected levels of income within the period are not achieved and/or maintained.	Possible	Significant	<ul style="list-style-type: none"> • Fees and charges have been reviewed as part of the medium term financial planning process and inflationary increases applied in line with the Fees & Charges Policy. If there are 'in year' shortfalls these are dealt with through the business planning and budgeting framework. • Impairment allowances for non-collectability of debts are assessed at least annually. 	Possible	Significant
FE3. New income streams: Projected levels of income within the period are not achieved.	Possible	Significant	<ul style="list-style-type: none"> • Income generating activity has been identified as part of current approved savings proposals. There is a risk that this income will not be achieved. • Higher risk as it is based on new sources of income. 	Possible	Significant
FE4. Volatility of Business Rates funding given the uncertainty around impact of successful appeals.	Likely	Major	<ul style="list-style-type: none"> • The appeals provision has been reviewed and updated in light of known current appeals/challenges and potential threats and will be reviewed on a regular basis. • Appeals can be backdated and as a consequence of this the Council has set aside a provision to deal with this element of the financial impact. • The appeals window for the 2017 rating list closed on 31 March 2023 and the number of outstanding cases is reducing. • Estimates have been made on the likely successful appeals against the 2023 rating list and provided for within estimates of collectable business rates. 	Possible	Significant

- **Robustness of estimates**

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FE5.	Increase in demand led spending pressures (including impact of welfare reform, social care, safeguarding) over and above the current budget provision.	Possible	Extreme	<ul style="list-style-type: none"> • Budget provision for demand led pressures is included in the medium term financial strategy and is under regular review as part of in-year monitoring processes. • Revenue and capital budgets are monitored monthly and reported to the Management Board (MB) and Cabinet. • Deficit recovery plans are required to address any significant in year unfavourable variances. these are subject to review and challenge by the Budget Review Panel chaired by the Chief Executive. 	Possible	Significant
FE6a.	Third party provider costs will increase as a result of increases in the National Living Wage	Almost certain	Significant	<ul style="list-style-type: none"> • As each contract is procured any impact of this will need to be assessed and addressed to ensure services are procured within budget. 	Possible	Significant
FE6b.	Third party provider costs increase as a result of SCC having to 'step in' in the event of potential provider failure (social care providers)	Unlikely	Significant	<ul style="list-style-type: none"> • Integrated Commissioning Unit (ICU) contract monitoring arrangements and general market oversight and intelligence 	Very Unlikely	Moderate
FE7.	Legal challenge to savings proposals that could result in the proposal being either discontinued or revised.	Possible	Significant	<ul style="list-style-type: none"> • Robust budget consultation process in place for any service redesign proposals. 	Unlikely	Moderate
FE8.	Pressure on returns from investment properties in both the short and longer term.	Possible	Major	<ul style="list-style-type: none"> • Investments are diversified between sectors. • The asset development and disposal programme will result in a reduced property investment portfolio in the longer term. Budget contingency has provided within the medium term financial strategy for a reduction in income. 	Possible	Significant
FE9.	Voluntary sector is either unwilling or unable to support the delivery of certain services or activities	Possible	Major	<ul style="list-style-type: none"> • Review the overall expectation and co-ordination of the services required of the voluntary sector. • Consideration is given to this risk in deciding whether to design services around the voluntary sector 	Possible	Significant
FE10.	The council's service delivery partners seek to exit an agreement or are no longer able to deliver the required service or the council seeks to reach an exit agreement.	Likely	Major	<ul style="list-style-type: none"> • Central Contracts Team monitors and work closely with the council's significant service delivery partners. • Contractual obligations on both parties that set out the respective roles and responsibilities. 	Possible	Significant
FE11.	The Council may receive reduced funding if Government make changes to the Local Government funding mechanism. Such changes may include removing the ring-fence for Public Health Grant and rolling it in to general funding.	Possible	Major	<ul style="list-style-type: none"> • The Council will plan for any proposed changes through the Medium Term Financial Strategy process. • As outlined in the Provisional Local Government Finance Settlement in December 2023, no changes will be made to the main funding mechanisms in 2024/25. 	Very Unlikely	Major
FE12.	Employer pension contribution rates are under estimated.	Possible	Significant	<ul style="list-style-type: none"> • Local Government Pension Scheme employer contribution rates are assessed as part of the triennial revaluation process and set for a three year period. The latest rates apply to the period 2023/24 to 2025/26. Draft results from the triennial review are normally available 6 months ahead of any revised rate being applicable. • Hampshire Pension Fund provide advice to employers on performance of the Fund. • Any changes to employer contribution rates for nationally run schemes such as the Teachers Pension Fund are normally notified in advance. 	Very Unlikely	Significant

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR1.	Business Rate Retention & Council Tax Growth - the council fails to collect, retain and grow business rate income	Possible	Major	<ul style="list-style-type: none"> • The government froze the small business rates multiplier for 2024/25 and councils are being compensated via grants. The standard rated multiplier was uplifted by the annualised Consumer Price Index (CPI) rate. The medium term financial strategy (MTFS) assumes both multipliers will be uplifted by CPI in future years (or the council will receive government funding in compensation). The government confirmed the standard multiplier for 2025/26 would be increased in line with the September 2024 CPI and the small business rates multiplier will be frozen, with local authorities compensated for the latter. • The MTFS includes assumptions on growth which have been reviewed in conjunction with the Economic Development team, including pipeline developments and their assumed operational dates. This will be monitored on a frequent basis as part of the standard monitoring arrangements. 	Possible	Significant
FR2.	Delivery of all of the agreed savings is not achieved.	Possible	Extreme	<ul style="list-style-type: none"> • Progress on the delivery of savings proposals is monitored as part of the monthly monitoring process and reported to Management Board and Cabinet. • Deficit recovery plans are required where savings proposals are not expected to be achieved. 	Possible	Significant
FR3.	The Government could impose a lower Council Tax referendum threshold and/or reduce or remove the Adult Social Care Precept	Possible	Significant	<ul style="list-style-type: none"> • SCC's 'core' Council Tax was increased by 2.99% and the Adult Social Care Precept by 2.0% in the 2024/25 budget, in line with the referendum limits. • The medium term financial strategy updated in October 2024 assumes a 2.99% increase in core Council Tax and 2% additional Adult Social Care Precept from 2025/26 onwards. • No government announcements have been made on referendum limits that will apply in future years. 	Unlikely	Significant
FR4.	Slippage in capital receipts (not accompanied by a slippage in spend).	Possible	Significant	<ul style="list-style-type: none"> • Non-receipt of any planned income will require a permanent draw from reserves, additional borrowing or for savings to be found in the capital programme. • Impact reflects the cost of borrowing in the short term (the interest payments). • A shortfall in capital receipts may impact on delivery of the transformation programme. 	Possible	Significant
FR5.	If building inflation was to exceed general inflation over a prolonged period, this would have a significant adverse impact on HRA balances and, in turn, the business model in respect of the redevelopment and refurbishment of the SCC Housing stock.	Possible	Major	<ul style="list-style-type: none"> • Surpluses are liable to change annually, either favourably or not, and this will be reflected in the annual review of stock investment needs and estimated unit rates. • Monitoring and assessment of potential impact with business model sufficiently flexible to allow for reassessment of priority outcomes against available budget. 	Possible	Major
FR6.	The level of funds within the internal insurance provisions is inadequate to meet current or future demand	Possible	Significant	<ul style="list-style-type: none"> • The adequacy of the provision is informed by the output from periodical (at least triennial) external actuarial reviews of the funds. • The level of funding required is reviewed as part of annual budget setting process and the position, in respect of potential liabilities is reviewed on a monthly basis. 	Unlikely	Significant

• Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR7.	Ad hoc or unforeseen events / emergencies.	Possible	Extreme	<ul style="list-style-type: none"> The council has limited reserves to deal with the financial impact of such an event. Subject to the nature of the event alternative sources of funding might be available e.g. Bellwin Scheme, specific government funding (such as in response to COVID-19). 	Possible	Major
FR8.	The cost of implementing the Care Act 2014 is greater than anticipated.	Possible	Significant	<ul style="list-style-type: none"> Plans made by the previous government to implement a "cap and floor" scheme for adult social care charges in October 2025 have been scrapped. 	Unlikely	Significant
FR9.	The Integrated Care Board (ICB) could seek to reduce its level of contribution to the 'pooled budgeting' arrangement with SCC	Possible	Major	<ul style="list-style-type: none"> Ongoing relationship and dialogue with ICB re shared objectives and outcomes. 	Unlikely	Significant
FR10.	The council is unable to quantify the financial impact on both vulnerable individuals and key council services arising from implementation of welfare reforms	Possible	Significant	<p>The impact of welfare reform on all service areas will be difficult to monitor or to mitigate against.</p>	Possible	Significant
FR11.	Inflation increases at a higher rate than anticipated	Possible	Significant	<ul style="list-style-type: none"> Assumptions have been made in the estimates about the likely level of general inflation that will apply in 2024/25. CPI is currently running at 1.7% (September 2024), having reduced to around the Bank of England's target rate of 2%. Market intelligence provided by Arlingclose - independent treasury advisors. Directorate cash limited budgets for 2024/25 include provision for contract inflation. Beyond this provision it would be managed as an 'in year' issue and services are expected to absorb the difference. For 2025/26 onwards, budget provision for inflation has been re-centralised in the MTFS and will be only be released based on demonstrable need. 	Possible	Significant
FR12.	Pay Inflation is at a higher rate than anticipated	Likely	Significant	<ul style="list-style-type: none"> The MTFS approved in March 2024 was based on an assumed pay award of 3.0% for 2024/25 and 2.0% thereafter. Pay awards for the majority of local government employees are agreed through the National Joint Council for Local Government Services, with representatives from both employers and trade unions. The 2024/25 pay award has been agreed at a £1,290 flat rate increase on all NJC pay points on the pay spine and an increase of 2.5% on all pay points above the maximum of the pay spine but graded below deputy chief officer. This is equivalent to around a 3.5% increase for the council. The additional cost of the pay award over budget is to be managed by directorates as part of their cash limited budgets. 	Likely	Significant

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR13.	Exiting the European Union - Uncertainty and economic forces, at least in the short term, within both the local business and wider business sector may have an adverse impact on investment decisions and local employment which, in turn, would impact on business rate income.	Likely	Significant	<ul style="list-style-type: none"> • There may be either pressure or incentives for non UK owned business to move operations back to within an EU country. • Treasury Management advisors are regularly updating the council on the economic impact of exiting the European Union, the strength of the pound, inflation and interest rates. 	Likely	Significant
FR14.	There are unplanned and unforeseen consequences (and costs) arising from the implementation of new, or changed, systems and processes across service areas within the organisation	Possible	Significant	<ul style="list-style-type: none"> • A Projects and Change Team is in place. A full programme management approach is taken, including planning and risk assessment, with significant support to major projects. 	Unlikely	Significant
FR15.	New accounting rules for financial investments may result in adverse valuation movements being charged to the General Fund in the year that they occur.	Possible	Significant	<ul style="list-style-type: none"> • Accounting rules require gains/losses from valuation movements for certain types of financial investments to be recognised in the year they occur, rather than when the investments are sold. • The Government put in place legislation to mitigate the impact on the General Fund which runs to the end of 2024/25. • An Investment Risk Reserve has been set up to manage the volatility that the timing difference may cause once the override ends, with contributions made in 2023/24 and planned for 2024/25 and 2025/26 to meet the estimated loss in value of investments. 	Unlikely	Significant
FR16.	The cumulative deficit on the Dedicated Schools Grant (DSG) may have to be met from the General Fund.	Very Likely	Major	<ul style="list-style-type: none"> • A statutory override is in place until the end of 2025/26 which prevents a DSG deficit impacting on the General Fund. • A cumulative DSG deficit of £11.1M as at the end of 2021/22 is being held in an unusable reserve in accordance with legislation. A cumulative surplus of £4.0M from in-year surpluses in 2022/23 and 2023/24 is held within earmarked revenue reserves as the statutory override regulations do not allow for this to be used to reduce the cumulative deficit held in the unusable reserve. An in-year surplus of £1.2M is forecast for 2024/25, which would reduce the cumulative net deficit to £5.9M. • Work is being undertaken as part of the DfE programme Delivering Better Value in Special Education Needs & Disabilities to reduce costs, however may only serve to limit cost increases. 	Likely	Major
FR17.	Pressure on the Housing Revenue Account means it becomes financially unsustainable without savings and/or reductions in capital spending plans.	Possible	Extreme	<ul style="list-style-type: none"> • The HRA working balance was increased to £2.6M at 2023/24 outturn. • The HRA business plan includes plans to increase the working balance to £7.0M by 2027/28 to provide a suitable safety net for any major financial risks and shocks and allow time to adjust plans within the 40- year HRA business plan. 	Possible	Major
FR18.	Costs are incurred in meeting uninsured claims against the Council or other liabilities .	Possible	Extreme	<ul style="list-style-type: none"> • Appropriate legal advice is taken to mount a successful defence. • The Government is minded to offer the council Exceptional Financial Support in 2024/25 of up to £52M in respect of equal pay costs. 	Possible	Extreme
FR19.	The Council incurs unfunded costs relating to new legislative burdens .	Possible	Significant	<ul style="list-style-type: none"> • The Government has a policy of funding any "new burdens" imposed on local government, either through the local government finance settlement or via specific grants. 	Unlikely	Moderate
FR20.	School deficits may have to be met from the General Fund if a school in deficit transfers to academy status.	Possible	Significant	<ul style="list-style-type: none"> • The Government may mandate a school that "requires improvement" to become an academy. When a school in deficit transfers to academy status the deficit must be borne by the General Fund. • Schools in deficit are required to develop deficit recovery plans to get back to a balanced position within 3 years (which may be extended to 5 years if necessary, for schools that have experienced significant COVID-19 pressures). 	Possible	Moderate

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR21.	The council's transformation programme may not achieve the level of savings/cost reductions required to address the structural budget deficit.	Possible	Extreme	<ul style="list-style-type: none"> • Governance arrangements aligned to the adapt grow thrive programme have been put in place, with Portfolio Boards led by each Executive Director reporting into the Transformation Board chaired by the Chief Executive. • The content and delivery of the programme is being managed across 7 portfolios and 28 programmes. • The council has appointed Newton Europe as its Transformation Implementation Partner. 	Possible	Extreme

Prudential Indicators Relating to Treasury

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£810M	£370M	Green
As % of Authorised Limit	100%	45.68%	Green

	<u>Maximum</u>	<u>Highest YTD</u>	<u>Status</u>
Authorised Limit for external debt £M	£810M	£370M	Green
Operational Limit for external debt £M	£690M	£370M	Green
Maximum external borrowing year to date	£750M	£317M	Green
Limit of fixed interest debt %	100%	98.74%	Green
Limit of variable interest debt %	50%	1.26%	Green
Limit for Non-specified investments £M	£30M	£28M	Green

Other Treasury Performance Indicators	<u>Target</u>	<u>Actual M6</u>	<u>Status</u>
Average % Rate Long Term New Borrowing	5.00%*	None Taken	Green
Average % Rate Existing Long Term Borrowing	3.51%	3.21%	Green
Average % Rate Short Term New Borrowing	5.00%	5.29%	Amber
Average Short Term Investment Rate - Cash	4.56%	5.17%	Green
Average Short Term Investment Rate – Fixed	4.56%	None Held	Green
Average Long Term Investment Rate - Bonds	5.25%	5.27%	Green
Average Return on Property Fund	4.25%	4.76%	Green
Average Return on All Investments	4.40%	4.78%	Green

**This excludes any borrowing that may be taken for EFS*

Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£12.0M	
Forecast Year End General Fund balance	£12.0M	Green

Income Collection

	<u>2024/25 Target</u>	<u>M6 YTD</u>	<u>Status</u>
Collection rate (in year)	>100%	105.41%	Green
Average days sales outstanding	</= 65 days	59	Green
Percentage of debt more than 12 months old	</= 33.35%	34.39%	Amber
Debt written off	</= 0.75%	0.26%	Green

Creditor Payments

	<u>2024/25 Target</u>	<u>M6 YTD</u>	<u>Status</u>
Valid and undisputed invoices paid within terms	87.00%	88.04%	Green

Tax Collection rate

	<u>2023/24 Actual Rate</u>	<u>Target Collection Rate</u>	<u>M6 Collection Rate Last Year</u>	<u>M6 Collection Rate This Year</u>	<u>Status</u>
Council Tax (in-year)	93.76%	95.00%	53.25%	52.08%	Amber
National Non Domestic Rates (in-year)	97.05%	97.05%	61.52%	61.01%	Amber

COLLECTION FUND REVENUE ACCOUNT FOR YEAR ENDED 31ST MARCH 2025

	Budget 2024/25 £M	Forecast 2024/25 £M	Variance Adverse / (Favourable) 2024/25 £M
Total Council Tax Income	(148.25)	(148.74)	(0.50)
Total Council Tax Expenditure (incl. precepts)	147.07	148.04	0.98
Council Tax Deficit/(Surplus) for the Year	(1.18)	(0.70)	0.48
Council Tax Deficit/(Surplus) Brought Forward	1.18	1.24	0.06
Council Tax Deficit/(Surplus) Carried Forward	0.00	0.54	0.54
Total Business Rates Income	(103.51)	(102.77)	0.74
Total Business Rates Expenditure	110.11	106.63	(3.48)
Business Rates Deficit/(Surplus) for the Year	6.61	3.86	(2.74)
Business Rates Deficit/(Surplus) Brought Forward	(6.61)	(8.42)	(1.81)
Business Rates Deficit/(Surplus) Carried Forward	0.00	(4.56)	(4.56)
<hr/> Total Collection Fund (Surplus)/Deficit <hr/>	<hr/> 0.00 <hr/>	<hr/> (4.02) <hr/>	<hr/> (4.02) <hr/>
Council Tax (Surplus)/Deficit			
Contribution (to)/ from SCC		0.45	
Contribution (to)/ from H and IOW PCC		0.07	
Contribution (to)/ from H and IOW F&R		0.02	
Council Tax Collection Fund Balance c/f		<hr/> 0.54 <hr/>	
NDR (Surplus)/Deficit			
Contribution (to)/ from SCC		(2.23)	
Contribution (to)/ from MHCLG		(2.28)	
Contribution (to)/ from H and IOW F&R		(0.05)	
NDR Collection Fund Balance c/f		<hr/> (4.56) <hr/>	
Total SCC (Surplus)/Deficit		<hr/> (1.78) <hr/>	

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